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REFORMING FEDERAL-LEVEL RESOURCE PLANNING AND MANAGEMENT

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USAWC STRATEGY RESEARCH PROJECT

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ABSTRACT

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Within the Federal government, and the Department of Defense, there are actions underway to improve the efficiency and effectiveness of operations. To recognize material cost savings throughout the Federal government, the scope of resource planning and management efforts must consider the activities of individual Federal agencies. Reforming resource planning and management must include what resource savings opportunities are currently being overlooked. Effort to establish and execute policy to avoid unnecessary monetary outlay must become a Federal government priority. The resources saved through a Federal-level look at resource planning and management may be applied to enhance other elements of national power and, ultimately, to securing the national interests of the United States. The many challenges associated with implementing organizational change must be overcome to allow development and implementation of strategy and policy necessary to achieve savings.

REFORMING FEDERAL-LEVEL RESOURCE PLANNING AND MANAGEMENT

<u>The Need to Take a Closer Look</u>

In considering which nation-state is the most powerful in the world one must rate and rank manifestations of power on a scale that really does not exist. The United States (US) currently possesses all four major components of national power: economic, diplomatic, informational, and military. Considered in totality, that translates into making it the most powerful country in the world. This does not infer however that everything will remain static and the US need not do anything going forward related to resource planning and management if it is to continue to enjoy this position. There are costs associated with exerting or maintaining these national powers, costs that are increasing.

The US government has many important initiatives ongoing supporting the maintenance or extension of various national powers and at the same time has many important initiatives to support domestically as well. Current debate concerning the need for fiscal restraint in an era of increasing debt and deficits demonstrates that both the leadership and the people of the US understand that there are not unlimited amounts of resources to apply to these initiatives.

Budgetary woes of the US government have been very clearly documented and discussed by many different parties. In an August 2009 report, the Congressional Budget Office (CBO) projected "the federal budget deficit for 2009 will total $1.6 trillion, which at 11.2 percent of gross domestic product (GDP), will be the highest since World War II."[1] The US government has been operating in a deficit spending environment, expending more resources than the US government collects. "Current spending trends

threaten to saddle future generations with crushing debt and steeply rising tax burdens that are likely to result in a lower standard of living."[2] In a 2008 briefing reference the current spending and intake of the US government, the US General Accounting Office (GAO) identified that

> The status quo is not an option. We face large and growing structural deficits largely due to known demographic trends and rising health care costs. The General Accounting Office's simulations show that balancing the budget in 2040 could require actions as large as (either) cutting total federal spending by 60 percent or raising federal taxes to two times today's level. Faster economic growth can help, but it cannot solve the problem. Closing the current long-term fiscal gap based on reasonable assumptions would require real average annual economic growth in the double-digit range every year for the next 75 years. During the 1990s, the economy grew at an average 3.2 percent per year. As a result, we cannot simply grow our way out of this problem. Tough choices will be required.[3]

Cutting spending by 60 percent would most likely jeopardize the national security of the US and materially raising federal taxes to such levels would be unacceptable to the people of the US. The CBO further supports this idea stating that "if taxes were raised to finance the rising spending, tax rates would have to reach levels never seen in the United States."[4] Alternative policy must be identified and implemented. Furthermore, the "CBO estimates that, as the economy recovers, if current laws and policies remained in place, the deficit would shrink but remain above $500 billion per year, or more than 3 percent of GDP, throughout the 2010-2019 period."[5] The CBO further indicates that "debt held by the public would continue to grow as a percentage of GDP during that time...[and] would reach an estimated 54 percent of GDP this year and grow to 68 percent of GDP by 2019."[6]

Many have views of how to improve the bottom line, to include reducing foreign aid, increasing the federal tax rate, revamping social entitlement programs, and reducing discretionary spending. There is, however, no bipartisan agreement on the

best ways to accomplish this. Democrats in both the Obama Administration and the US Congress tend to favor tax increases in order to increase revenues, while Republicans are more likely to focus on reductions in spending. [7] [8] However, as described above, either option by itself is neither sufficient nor feasible. As a recent report from the non-partisan Peterson Pew Committee on Budget Reform indicates, some combination of tax increases and spending cuts will be required.[9] Unfortunately, consensus on that agreed upon combination is nowhere to be seen.

While there is no agreement on federal budget reform, it seems reasonable that any efforts resulting in resource savings, absent debilitating effects to US national security and domestic agendas, are worth a closer look. In his inaugural speech, President Barack Obama stated "…those of us who manage the public's dollars will be held to account, to spend wisely, reform bad habits."[10] This will not happen by words alone. Some actions must be taken.

Working smarter, doing more with less, and encouraging innovative ideas are commonplace themes throughout industry worldwide.[11] It also makes sense to apply these same ideas within the US government to support efficiencies and decrease outlays required to execute various programs. Throughout various US government agencies, including the Department of Defense, there are countless actions underway to improve the efficiency and effectiveness of operations. Many of these actions, while consuming finite resources, are projected to provide resource savings throughout their operational life. In today's highly competitive environment it is of utmost importance that scarce resources are applied efficiently, so the purpose for executing these actions in the spirit of saving resources is to be commended.

Considering the above, it is imperative the US government consider immediately implementing sweeping resource-savings reform policies to allow for successful future execution of the domestic agenda, maintenance or application of elements of national power, and for purposes of being good stewards of scarce public resources. While entitlement reform and some revenue increases will also be required to restore US fiscal balance, the focus of this paper will be on exploring resource-savings policy options, recommending a way ahead, and discussing how such a major change effort can be successfully implemented to make better use of resources required to operate the US government.

This will not be easy. However, the need for change is real, and the urgency for doing so is fortunately becoming more widely understood. This is critical, for as John Kotter states in his book *Leading Change*, "Major change is never successful unless the complacency level is low. A high urgency rate helps enormously in completing all the stages of a transformation process."[12] The US government budget projections and estimates are certainly urgent in nature and require targeted actions aimed at conserving resources. While there is no silver bullet that will wipe away budgetary woes, to begin saving resources the US government must "reengineer internal agency structures and processes, including more emphasis on long-term planning (and) integrating federal activities."[13] Enacting resource savings policies can effect both increased management and planning and may additionally serve to streamline US government operations. This paper will now discuss three options for doing so.

Policy Option One - Expanded Enterprise Resource Planning and Management

To achieve resource savings, policy option one offers expanding oversight of resource planning and management of federal activities to allow identification and

implementation of applicable efficiencies across the US government. Employing this option would help minimize the risk that a good business practice enacted within one US government agency was overlooked for implementation in other US government agencies. As mentioned above, there are many actions underway to improve the efficiency and effectiveness of operations throughout the US government. Notwithstanding, most improvement actions are crafted and enacted within US government agencies, not across US government agencies. "The result is that tremendous energy goes into optimizing individual pieces of the organization, but yields the unintentional result of suboptimizing the whole."[14]

Several laws have been enacted to support creating efficiencies and savings within the US government, such as the Clinger-Cohen Act, Government Performance and Reform Act, and Electronic Government Act. Paragraph (2) of the Clinger-Cohen Act states that "the head of each agency shall establish effective and efficient capital planning processes for selecting, managing, and evaluating the results of all of its major investments in information systems."[15] The Clinger-Cohen Act also discusses interagency relationships regarding major information systems investments by stating the planning described above "shall include guidance for undertaking efficiently and effectively interagency and Government-wide investments in information technology to improve the accomplishment of missions that are common to the executive agencies."[16]

In support of the 2002 Presidential Management Agenda, OMB launched task forces in March 2002 to begin looking into various government operations outlined by then President Bush. "These interagency task forces examined business and information technology data and best practices for certain government-wide business

functions – financial, human resources, and grants."[17] The reason the task forces were charged to find business process improvements was to identify potential savings opportunities as well as to improve the efficiency and effectiveness of services provided.[18]

Each of these actions has driven increased efficiencies and improved the effectiveness of the US government. Notwithstanding, the current risk is that initiatives underway in one US government agency, which standing alone are positive, do not consider other initiatives ongoing throughout other US government agencies. As an example, are any of the resource savings initiatives within the Department of Defense being compared with resource savings initiatives elsewhere within the US government? It seems likely that while some germane knowledge of other's actions may be known, that the mechanisms for solid coordination across and discussion among US government agencies for improvement and consolidation actions must be strengthened.

Oversight for federal-level resource planning and management of federal activities should be placed at a senior level within the Executive Branch of the US government in the form of an oversight committee. This oversight would ensure actions deemed appropriate for one US government agency are considered for implementation to one or more other US government agencies. Several Executive Branch level oversight committees currently exist, however with further review of their respective missions these committees appear to not consider opportunities associated with federal level resource planning and management. According to the OMB website,

> The Office of Management and Budget's (OMB) Office of E-Government (E-Gov) and Information Technology (IT), with the support of the General Services Administration (GSA) and the Federal Chief Information Officers (CIO) Council, established the Federal Enterprise Architecture (FEA)

Program which builds a comprehensive business-driven blueprint of the entire Federal government. The FEA Program Management Office (PMO), located within OMB's Office of E-Gov and IT, equips OMB and federal agencies with a common language and framework to describe and analyze IT investments, enhance collaboration and ultimately transform the Federal government.[19]

While the actions taken by this organization support enhanced collaboration and analysis, there appears to be an opportunity for further planning and management of simply the initiatives and business practices associated with those initiatives to determine if application of the initiative or business practice should be applied to other US government agencies.

Within the acquisition community, an executive level office has oversight for acquisition related items, although does not appear to have a mission to ensure coordination outside of the acquisition community. The mission statement for this office states:

The Office of Federal Procurement Policy (OFPP) in the Office of Management and Budget plays a central role in shaping the policies and practices federal agencies use to acquire the goods and services they need to carry out their responsibilities. OFPP was established by Congress in 1974 to provide overall direction for government-wide procurement policies, regulations and procedures and to promote economy, efficiency, and effectiveness in acquisition processes.[20]

Enacting this policy would require all US government agencies to identify current business operations concepts and ongoing improvement actions. The federal-level resource planning and management oversight committee would be responsible for determining which like actions ongoing may be consolidated as well as responsible for approving future improvement actions, with the intent to determine if actions planned for implementation by one US government agency should be considered for broader application across the US government.

While implementation of policy option one would not require a major overhaul to any US government agency, it would be challenging. A regulatory-type, oversight group to ensure smart decisions regarding organizational change were being considered for implementation throughout the federal government would likely save resources. Risks associated with implementing this policy are mainly related to differing organizational cultures of the various US government agencies. Overcoming the difficulties associated with improving communication between US government agencies as well as identifying standard business concepts of operations would require strong leadership. Many, if not all, US government agencies may not welcome additional constraints on agency sovereignty as agency decision-making autonomy reference institutional change would be diminished.

Policy Option Two – Mission Consolidation

A second resource-savings policy alternative is to identify further opportunities for combining like federal-level missions for performance at one US government agency vice performance at many US government agencies. In today's environment, many US government agencies execute like administrative or support missions to allow for execution of their main missions. The OMB is currently leading a large and complex effort to identify Financial Management Lines of Business[21], whereby US government "agencies are to consider the use of certain shared service providers for meeting common support services, such as information technology (IT) hosting and application management, rather than investing in costly and redundant agency-specific solutions."[22] For similar business functional areas, work within US government agencies to determine common operating procedures to develop standard business concepts of operations is key to allow for use of like providers and thus produce resource savings.

"Due to varied business processes in use across agencies to address common and agency-specific needs...officials acknowledge that developing standard business processes that can be used across all federal agencies is a significant challenge."[23]

For instance, all federal employees are paid from the US Treasury. Many individual US government agencies historically processed their respective time and attendance records through disparate payroll systems and submitted output to the US Treasury to effect payment due employees. The OMB, through direction within the 2002 Presidential Management Agenda, began work on the electronic government initiative of consolidating payroll within the US government.[24]

"The goal of the e-Payroll initiative is to substantially improve federal payroll operations by standardizing them across all agencies, integrating them with other human resource functions, and making them easy to use and cost-effective."[25] To effect this, the plan included consolidating federal payroll activities by simplifying and standardizing federal payroll policies and procedures.[26] Additionally, the effort is projected to allow for better integration of payroll, human resources, and finance functions across federal agencies.[27]

By developing standards to apply to all federal civilian employee timekeeping, in October 2009 the US government "completed a lengthy consolidation of its payroll systems, a move that should save agencies more than $1 billion during the next 10 years, according to the Office of Personnel Management."[28] Notwithstanding the success, according to one source "the migration from 26 payroll systems to four shared-service centers took seven years and involved personnel from almost every agency and

level of federal government."[29] A savings of $1 billion will not restore fiscal balance

however it does save resources and therefore is a step in the right direction.

While this streamlining of business operations to one US government agency will

save resources, it is a good business practice to have redundancy in case the need

arises for another US government agency to perform the mission due to unforeseen

circumstances. As such, establishing the capability for two US government agencies to

perform a said mission would be important. Specific to the US government payroll

success story, "four shared-service centers now will process the majority of the

government's payroll."[30] As redundancy of operations may not require that number of

locations, perhaps the move from four centers to a smaller number of centers could be

a future resource savings initiative. Additionally, to minimize the risk that a natural or

man-caused disaster would render redundant locations unable to perform the mission, a

key factor to consider in choosing the physical location of performance would include

the geographic location of each US government agency so that "the people, processes,

systems, and infrastructure elements that are needed to continue to perform essential

functions during a disaster or major incident"[31] are available.

Implementation of policy recommendation two is somewhat more challenging

than implementation of policy option one. Option two requires identification of and

successful migration of work, and potentially employees, between federal agencies.

There is precedent, though, for these types of actions within the federal government.

The Department of Defense, during the recent Base Realignment and Closure process,

successfully identified workload and employees to move between locations. The US

Deputy Secretary of Defense recently sent a letter to several members of Congress

stating "with the continued and proactive support and resources from the Department of

Defense and Congress we will successfully execute the relocation from Fort Monmouth

to Aberdeen Proving Ground."[32] Although not as involved as migrating workload

between different US government agencies, it still shows the ability for the US

government to execute a work-transfer mission successfully.

Proposing, approving, and executing workload migration between US

government agencies would most likely incur significant controversy. Many players will

want to participate in the decision-making process associated with the movement. In

addition, Congressional involvement is a guarantee as those living within the losing

districts may engage to delay or change unfavorable outcomes. Legislation change and

Congressional funding would also be required to successfully implement policy option

two.

Policy Option Three – Privatization

Potentially yet a third resource-savings policy alternative is to consider privatizing

missions currently executed by the US government that have potentially outlived the

necessity for performance by the US government. "Since the 1980's, the policy of

privatization of public enterprises has been adopted and implemented variably at the

global level."[33] When considering the scope of activities the US government currently

performs, there certainly could be some lively debate about what missions the US

government should and should not perform. Some may argue that it is wise to forego

future execution of missions not inherently governmental and hand them off to privately

funded, non-governmental organizations to execute. Others may expect the US

government to continue performance of those same missions and, perhaps, even

entertain performance of additional missions.

For example, the US Postal Service has history "rooted in a single, great principle: that every person in the United States — no matter who, no matter where — has the right to equal access to secure, efficient, and affordable mail service."[34] The US Postal Service mission, per the US Code, is "to bind the nation together through the personal, educational, literary, and business correspondence of the people."[35] Furthermore, US Code requires the US Postal Service to provide timely and efficient services to all people in the US, regardless of area or location.[36] With the social changes brought about through increased public reliance on technologies such as cell phones and the internet to effect communication, as well as the success with which private industry has performed a very similar mission, it begs the question whether the US Postal Service needs to continue performing the mission, at least at the same levels in which it does today.

Alternatively, rather than completely foregoing a mission currently executed by the US government, another option may be to consider a hybrid approach whereby some of the mission is executed by the private-sector and some of the mission is executed by the federal government. Based on the President's Budget for 2011, it appears the Obama administration has plans to use this hybrid approach with the US space program.[37] Instead of funding the US space program at levels to allow the US government to wholly execute the mission the President has budgeted amounts for industry "to develop a commercial craft to transport astronauts into orbit. Such a move would mark a…change in how NASA works, forcing it to rely on a private company to design and manufacture a spacecraft."[38]

Supporting the hybrid or private-sector idea as related to information systems, the Clinger Cohen Act requires federal agencies to:

> determine, before making an investment in a new information system (i) whether the function to be supported by the system should be performed by the private sector and, if so, whether any component of the executive agency performing that function should be converted from a governmental organization to a private sector organization; or (ii) whether the function should be performed by the executive agency and, if so, whether the function should be performed by a private sector source under contract or by executive agency personnel.[39]

Although this policy would most likely effect the most significant resource savings, the implementation of this policy would most likely also cause the most significant discord within the federal government. Not only would the agency and the employees of that agency at risk react adversely but the Congressional involvement from the districts affected would more than likely be intense.

While privatization of public enterprises may produce savings, "even the strongest proponents of privatization agree that it is not a panacea for national problems."[40] Some argue that privatization is simply one method that must be considered and acted upon if economic recovery is going to happen.[41] "The responsibility for greater efficiency and higher production must be shared by both the private and public sectors."[42]

The US government is a large and complex organization. It is common knowledge that large and complex organizations are at a higher risk to incur waste. As such, one may surmise that privatization would benefit the overall bottom line, however:

> The issue of efficiency is controversial and must be considered along with the criterion of effectiveness, both of which are required in a proper measurement of organizational performance. The often-cited measure of private sector efficiency as a sole criterion of good performance distorts the real picture and is misleading, for it fails to take into account the social

costs and externality costs generated by the private sector as well as the infrastructural costs incurred by governments.[43]

The Need for Change and Why it is Difficult

To identify the need for enacting resource savings policy and suggest ways to achieve savings is one thing. To actually make it happen will require significant effort. There are many potential obstacles that could derail change efforts of even the most talented leaders. A common thought regarding change is that the more things change, the more they stay the same. This often referenced throw-away line, while somewhat comical, is also potentially troubling when considering the importance of making smart decisions to ensure organizational success. Organizations today, and for the foreseeable future, "will be pushed to reduce costs, improve the quality of products and services, locate new opportunities for growth, and increase productivity."[44] To do these aforementioned things, it makes sense that status-quo operations must be transformed into new, more efficient and effective ways of doing business. This holds true in private industry as well as for the US government. In light of this, organizations, from the top leadership to those doing the day-to-day mission of the organization, must make effective changes to be successful. However, there are many potential pitfalls resident in organizations that counter change efforts of the best intentioned and most talented senior leaders.

Organizational Construct Challenge

"The concept of culture is particularly important when attempting to manage organization-wide change."[45] Each organization has its own tendencies and norms, its own unique organizational culture. "Organizational culture is the personality of the organization."[46] "Culture is comprised of the assumptions, values, norms and tangible

signs (artifacts) of organization members and their behaviors."[47] Each organization has a leader, and while all may be working towards common goals, the way to attain those goals may be viewed differently by those throughout the organization. If the leader's change vision is not embraced by his subordinates and eventually embedded into the culture, the change effort will most likely fail.

Within the US government, there are many different organizations such as the Military Services, The Department of State, The Treasury Department, and the Defense Agencies to name a few. The Director of the Business Transformation Agency (BTA) within the DoD stated "we still battle the cultural barriers inherent in large, complex organizations that tend to yield a narrow focus that strongly adheres to the status quo."[48] Within each of these organizations there are many sub-organizations, each having individual cultures and norms. Additionally the history of each organization contributes to many deep-rooted beliefs and actions. "Practitioners are coming to realize that, despite the best-laid plans, organizational change must include not only changing structures and processes, but also changing the corporate culture as well."[49]

All of the organizations mentioned above, as well as many others, are involved in an interagency environment, an environment where they have to work together. It is difficult to effect change in a single organization with a single culture let alone throughout multiple organizations with multiple cultures. "Culture is not something that you can manipulate easily"[50] and has also been labeled as "the biggest impediment to creating change in a group."[51]

Generally, the steps required from identification of an item requiring change to implementation of the ways to make the change happen is inherently difficult simply due

to the broad scope of the mission itself. This is true when undertaken in most any environment but especially so in the context of many US government agencies. With many different organizations involved, comprised of many different individuals from various backgrounds and beliefs, it increases the potential for disharmony, potential delays associated with the concept of group input, and a "tunnel vision rather than the peripheral vision needed for horizontal government."[52]

"This tunnel vision is often accompanied by turf tension as individuals and organizations strive to protect established mandates and processes, in part by restricting the sharing of information."[53] For example, a resource savings policy developed and staffed through various agencies may require multiple revisions due to comments or feedback received. It may well also require multiple explanations by the issuing agency to clarify the intent and expected results of the policy.

Changes in Leadership Challenge

Another potential challenge in effecting positive change within organizations is the turnover of key personnel. Specific to organizations within the US government, the US political system drives the potential for this turnover as every four years a Presidential election is held and the President is responsible for many appointments of key personnel to agencies. This political process results in the potential for loss of knowledge and efficiencies as the new leadership strives to gain an understanding of the organization. In a 2009 report the GAO "concluded that the current administration needed to move quickly to nominate and fill key leadership positions" including the Deputy Secretary of Defense.[54] If agencies retain personnel who have knowledge and experience in agency matters, it could materially reduce the potential for confusion or inefficiencies caused by leadership change. "As the Department approaches the

transition to a new administration, the role of these senior career leaders will only grow in importance."[55]

It is also important that changes enacted by prior administrations not lose traction simply because the US political process effects leadership changes. The GAO recently identified, specific to DoD's business transformation efforts, the importance of the "current administration to further define and clarify the roles, responsibilities, and relationships among the various positions and governance entities"[56] internal to DoD so that business transformation may continue to move forward.[57] The GAO has indicated that the DoD should "establish sustained leadership that is responsible and accountable for overall business transformation efforts."[58] The GAO has further identified that "senior career civil servants of the Department are a critical component of maintaining sustained leadership over time for business transformation."[59]

<u>Outside Influences Challenge</u>

Another potential hindrance to effecting organizational change is that of political nature. Changes, while positive for some individuals in organizations and by design the organization as a whole, may be negative for other individuals. This may increase the likelihood of union, and perhaps Congressional, involvement in the change process. If individual employees believe the changes will adversely affect their well-being they will certainly use all tools at their disposal to seek ways to stop the changes from taking place. If job losses or downsizing are an intended result of organizational change, the change may not only incur resistance from outside influences it may impair the spirit of the organization's employees.

For the US government, many large-scale changes require Congressional approval. For example, the creation of the Homeland Security Department by the

Homeland Security Act of 2002, whereby many Federal Agencies were combined under the command and control of one organization, required significant public debate and Congressional action.[60] "Congress and the President exempted the Department of Homeland Security from key provisions of the federal civil service law, including those relating to compensation, classification, hiring, and promotion."[61]

Congressional involvement may deter change if Congressional leaders view the changes as having a negative impact on their District or state. There is a fine-line that Congressional leaders must walk. Supporting changes that make large-scale organizational improvements most always result in savings. These same changes may have a negative impact on people living within their District or state and therefore may cause political difficulty in decision-making for the Congressman. In his 2002 Presidential Management Agenda, then President George Bush identified:

> Congress can help in a number of important ways, among them: actively supporting government management reforms; using its oversight powers to insist that agencies fix their problems; providing the investments and the tools necessary; helping agencies remove barriers to change; and not placing limitations on reform efforts.[62]

<u>Ways to Mitigate Challenges Associated with Organizational Change</u>

As this paper has demonstrated, the need for enacting resource savings policy is compelling. Notwithstanding, considering the significant challenges associated with implementing the potential policy options detailed throughout this paper, it makes sense to start with the less intrusive policy and thus avoid taking on too much all at once. Even enacting such an incremental approach will require skillful management to mitigate or minimize the pitfalls of instituting organizational change. The key is working towards improving overall organizational results and thus effecting resource savings.

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In light of the complexities and magnitude of the challenges, reforming US resource planning and management will require strong leadership from the very top. The US President must engage in setting the vision for reforming resource planning and management and remain engaged throughout the development, oversight, and execution of various actions. "Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles."[63] As discussed earlier in this paper, a main barrier to successfully implementing organizational change is that of organizational culture. To initiate and execute a successful organizational change, strong leadership is a necessity. A good leader who considers organizational culture will work to help employees adapt to significantly changing circumstances.[64]

The US President must also establish a group of leaders to support US fiscal policy reform efforts. "Because major change is so difficult to accomplish, a powerful force is required to sustain the process."[65] No one person, no matter how talented and charismatic, would ever be able to take all actions associated with organizational change alone.[66] Just like any business stockholders would expect strong leadership regarding fiscal matters, the people of the US expect the same from their elected leadership. This means that Congressional leaders must also take on leadership roles associated with development, execution, and oversight of various actions associated with reforming resource planning and management. Congressional support must encourage a dialogue within the US government that rewards organizations and employees for successfully identifying resource savings opportunities.

Additionally, those at the top leading the change effort must consider involving all stakeholders in the change process. Management within individual US agencies must be on board. Specific to implementation of a major change to the DoD personnel system GAO identified that "a key challenge is ensuring sustained and committed leadership for such a major transformation effort."[67] Management and leaders must "motivate the actions needed to alter behavior in any significant way. Only leadership can get change to stick by anchoring it in the very culture of an organization."[68] It is important to note that in larger organizations, there are many people needed to help lead the transformation effort as large organizations are too complex to be transformed by only a few individuals.[69]

Employees, and employee unions that represent employees, must be on board. Proper training of employees is an important consideration. Absent appropriate training, employees may view organizational change as a threat. "Organizations are becoming more dependent upon people because they are increasingly involved in more complex technologies and are attempting to function in more complex…environments."[70] Employees are integral to organizational success and must "know more about both leadership and management than did his or her twentieth-century counterpart."[71] Without employees supporting the organizational change effort, the change will most likely fail or not be as effective as it could have been. "People will find a thousand ingenious ways to withhold cooperation from a process that they sincerely think is unnecessary or wrongheaded."[72] Organizational change requires "great cooperation, initiative, and willingness to make sacrifices from many people."[73]

Another consideration that must be included in successful organizational change is that of effective planning. Many organizations identify the need to change, however the lack of appropriate planning to effect the change renders many change efforts ineffective in the end. Once the plan is developed, it is important to "communicate the change vision using every vehicle possible to constantly communicate the new vision and strategies."[74] Specific to implementation of a major change to the DoD personnel system GAO identified that "moving too quickly or prematurely to implement such systems, whether at DoD or elsewhere, can significantly raise the risk of problems implementing them."[75] This same idea may certainly be applied to any major change implemented across an organization.

No Challenge Too Big

Effectively leading change is one of the most important qualities of a senior leader, yet perhaps is also one of the most difficult to execute. Changes in organizations must be carefully thought through, considering second and third order effects on the organization as well as potential effects on other organizations and stakeholders. There are many potential benefits as well as pitfalls to effecting positive change in organizations, however if one knows the landscape of the organization or organizations involved, the battle to effect the changes deemed necessary has a higher probability of being successful.

Looking forward, budgetary assessments and projections identify increasing difficulty related to resource expenditures associated with supporting the domestic agenda as well as maintaining or exerting national power. Changes regarding expenditures must happen. To recognize substantial cost savings throughout the US government, widening the scope of resource planning and management to consider the

activities of individual US government agencies must be undertaken. This top-level

resource planning and management requires imposing policy to avoid unnecessary

monetary outlay. The resources saved through a federal-level look at resource planning

and management may be applied to both the domestic agenda of the United States as

well as to enhance other elements of National Power and, ultimately, to securing the

national interests of the United States.

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